

## **Information Paper**

**SUBJECT:** Proper Funds for Awards and Gifts

**DEFINITION:** The right type of appropriated funds must be used to purchase awards and gifts.

**POLICY:**

- AR 37-47, Representation Funds of the Secretary of the Army
- AR 600-8-22, Military Awards
- AR 672-20, Incentive Awards
- UR 360-1, USAREUR Community Relations Program

**GUIDANCE:**

- Operation and Maintenance Funds (OMA) should be used to purchase awards.
  - Awards (other than medals) should be given for excellence in accomplishments or competitions that clearly contribute to the increased effectiveness or efficiency of a military unit.
  - Awards can include trophies, loving cups, badges, plaques, buttons, and similar objects awarded for excellence in accomplishments or recognition of special service. The most common non-medal award is a commander's coin.
  - Individual awards cannot cost more than \$75, and team awards cannot cost more than \$250.
- Limitation .0012 Funds should be used to purchase gifts for authorized guests.
  - Limitation .0012 funds are appropriated funds that are segregated for emergency or extraordinary expenses that cannot be anticipated or classified. Limitation .0012 funds are also known as "emergency for extraordinary expense funds" and "Official Representation Funds" (ORFs).
  - Limitation .0012 funds may be used to pay for gifts presented to authorized guests in connection with official courtesies. The present DoD dollar limit on gifts funded with limitation .0012 funds is \$285, although UR 360-1 imposes a limit of \$200 per gift when Public Affairs BA 43 limitation .0012 funds are used to pay for official courtesies.

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- Authorized Guests include foreign citizens whose rank, position, function, or stature justifies official entertainment. Examples include distinguished citizens, military personnel, government officials, and national or regional dignitaries and citizens (such as NGO heads). Authorized guests also include the President and Vice President of the United States, cabinet members, members of Congress and their staff, and state governors.
- Personal Funds.
  - Commanders are free to use their personal funds to purchase appreciation gifts for DoD personnel and others.
  - A commander who wishes to give a token of appreciation (such as a coin, pen, or knife) to a person who is not an authorized guest or who does not qualify for an award may do so, but appreciation gifts must be paid for with the commander's personal funds.

**CRITICAL ISSUES:**

- Awards and gifts purchased with one type of money cannot be intermingled with identical awards and gifts purchased with a different type of money.
- All awards must be paid for with OMA funds.
- Specify the reason for the award. The award item should bear an inscription, such as "For Excellence," "For Outstanding Accomplishment," or some similar language. This clearly identifies the item as an award, and distinguishes it from a gift.
- Limitation .0012 funds may not be used to pay for gifts to any DoD personnel. AR 37-47, paragraph 2-9c is explicit in its prohibition: "ORFs shall not be used for the presentation to, or acceptance by, DoD personnel of mementos of any kind."
- If a commander wants to use a particular item (i.e., a SOG knife) as both an award and a gift, the items must be paid for with the correct funds, they must be segregated, and they must be accounted for separately.

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